AMREP CORP.
Form 10-Q
March 10, 2008

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

FORM 10-Q

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

For the quarterly period ended January 31, 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 1-4702

AMREP Corporation
(Exact name of registrant as specified in its charter)

Oklahoma	59-0936128
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
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,former address and former fiscal year,if changed since last report)

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 (the "Exchange Act") 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 X No ___

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ___ Accelerated filer X

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 X ______

Number of Shares of Common Stock, par value $.10 per share, outstanding at February 29, 2008 - 5,995,212.

AMREP CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

AMREP CORPORATION AND SUBSIDIARIES
Consolidated Balance Sheets (Unaudited)
(Thousands, except par value and number of shares)

	January 31 2007
ASSETS:	
Cash and cash equivalents	$ 24,928
Receivables, net:	
Real estate operations	13,333
Media services operations	52,882
	66,215
Real estate inventory	66,416
Investment assets, net	10,274
Property, plant and equipment, net	30,021
Intangible and other assets, net	32,234
Goodwill	54,139
TOTAL ASSETS	$ 284,227
LIABILITIES AND SHAREHOLDERS' EQUITY:	
LIABILITIES:	
Accounts payable, net and accrued expenses	$ 92,805
Deferred revenue	-
Notes payable:	
Amounts due within one year	4,462
Amounts subsequently due	24,235
	28,697
Taxes payable	2,108
Deferred income taxes and other long-term liabilities	14,385
Accrued pension cost	1,045
TOTAL LIABILITIES	139,040
SHAREHOLDERS' EQUITY:	
Common stock, $.10 par value; Shares authorized - 20,000,000; 7,419,704 shares issued at January 31, 2008 and at April 30, 2007	742
Capital contributed in excess of par value	46,085
Retained earnings	127,879
Accumulated other comprehensive loss, net	(2,862)
Treasury stock, at cost; 1,424,492 shares at January 31, 2008	

and 766,092 shares at April 30, 2007	(26,657)
TOTAL SHAREHOLDERS' EQUITY	145,187
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 284,227

See notes to consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income and Retained Earnings (Unaudited)
Three Months Ended January 31, 2008 and 2007
(Thousands, except per share amounts)

	2008
REVENUES:	
Real estate land sales	$ 6,302
Media services operations	36,458
Interest and other	675
	43,435
COSTS AND EXPENSES:	
Real estate land sales	2,332
Operating expenses:	
Media services operations	30,492
Real estate commissions and selling	300
Restructuring and fire recovery costs	387
Other	(305)
General and administrative:	
Media services operations	3,228
Real estate operations and corporate	1,259
Interest expense, net of capitalized amounts	274
	37,967
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	5,468
PROVISION FOR INCOME TAXES FROM CONTINUING OPERATIONS	2,022
NET INCOME	3,446
RETAINED EARNINGS, beginning of period	124,433
RETAINED EARNINGS, end of period	$ 127,879
EARNINGS PER SHARE - BASIC AND DILUTED	$ 0.57
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	6,014

See notes to consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income and Retained Earnings (Unaudited)
Nine Months Ended January 31, 2008 and 2007
(Thousands, except per share amounts)

	2008
REVENUES:	
Real estate land sales	$ 27,613
Media services operations	104,317
Interest and other	4,955
	136,885
COSTS AND EXPENSES:	
Real estate land sales	9,663
Operating expenses:	
Media services operations	90,237
Real estate commissions and selling	641
Restructuring and fire recovery costs	958
Other	620
General and administrative:	
Media services operations	9,417
Real estate operations and corporate	3,447
Interest expense, net of capitalized amounts	899
	115,882
INCOME FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	21,003
PROVISION FOR INCOME TAXES FROM CONTINUING OPERATIONS	7,770
INCOME FROM CONTINUING OPERATIONS	13,233
LOSS FROM OPERATIONS OF DISCONTINUED BUSINESS (NET OF INCOME TAXES)	(57)
NET INCOME	13,176
RETAINED EARNINGS, beginning of period	121,333
DIVIDEND PAID	(6,630)
RETAINED EARNINGS, end of period	$ 127,879
EARNINGS (LOSS) PER SHARE - BASIC AND DILUTED	
CONTINUING OPERATIONS	$ 2.09
DISCONTINUED OPERATIONS	(0.01)
EARNINGS PER SHARE - BASIC AND DILUTED	$ 2.08

WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	6,332

See notes to consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows (Unaudited)
Nine Months Ended January 31, 2008 and 2007
(Thousands)

	2008
CASH FLOWS FROM OPERATING ACTIVITIES:	
Net income	$ 13,176
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation and amortization	8,014
Non-cash credits and charges:	
Pension accrual (benefit)	(246)
Provision for doubtful accounts	(349)
Stock based compensation - Directors' Plan	-
Gain on disposition of assets, net	(1,781)
Changes in assets and liabilities:	
Receivables	3,184
Real estate inventory	(15,940)
Intangible and other assets	(1,152)
Accounts payable and accrued expenses, and deferred revenue	4,944
Taxes payable	2,053
Deferred income taxes and other long-term liabilities	3,236
Total adjustments	1,963
Net cash provided by operating activities	15,139
CASH FLOWS FROM INVESTING ACTIVITIES:	
Capital expenditures - property, plant, and equipment	(4,565)
Capital expenditures - purchase of investment assets	(1,097)
Acquisition, net of cash acquired	195
Proceeds from disposition of assets	4,749
Net cash used by investing activities	(718)
CASH FLOWS FROM FINANCING ACTIVITIES:	
Acquisition of treasury stock	(21,363)
Proceeds from debt financing	71,081
Principal debt payments	(74,683)
Exercise of stock options	-
Dividends paid	(6,630)
Net cash provided (used) by financing activities	(31,595)

DECREASE IN CASH AND CASH EQUIVALENTS		(17,174)
CASH AND CASH EQUIVALENTS, beginning of period		42,102
CASH AND CASH EQUIVALENTS, end of period	$	24,928
SUPPLEMENTAL CASH FLOW INFORMATION:		
Interest paid - net of amounts capitalized	$	1,029
Income taxes paid - net of refunds	$	2,447
Non-cash transactions:		
Transfer to real estate inventory from receivables	$	3,892

See notes to consolidated financial statements.

AMREP CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements (Unaudited)
Nine Months Ended January 31, 2008 and 2007

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements included herein have been prepared by AMREP Corporation (the "Registrant" or the "Company") pursuant to the rules and regulations of the Securities and Exchange Commission for interim financial information, and do not include all the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, the accompanying unaudited consolidated financial statements include all adjustments, which are of a normal recurring nature, necessary to reflect a fair presentation of the results for the interim periods presented. The results of operations for such interim periods are not necessarily indicative of what may occur in future periods.

The unaudited consolidated financial statements herein should be read in conjunction with the Company's annual report on Form 10-K for the year ended April 30, 2007, which was previously filed with the Securities and Exchange Commission.

(2) Adoption of FIN 48

The Company adopted the provisions of Financial Accounting Standards Board ("FASB") Interpretation No. 48, "Accounting for Uncertainty in Income Taxes - an interpretation of FASB Statement No. 109" ("FIN 48"), on May 1, 2007. Previously, the Company had accounted for tax contingencies in accordance with FASB Statement No. 5, "Accounting for Contingencies". As required by FIN 48, the Company recognizes the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not threshold, the amount recognized in the financial statements is the largest benefit that management believes has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. Unrecognized tax benefits are tax benefits claimed in the Company's tax returns that do not meet these recognition and measurement standards.

At the adoption date, the Company applied FIN 48 to all tax positions for which the statute of limitations remained open. The adoption of FIN 48 had no impact on the Company's financial statements. The Company's deferred income taxes and other long-term liabilities include an unrecognized tax benefit of $1,354,000 at May 1, 2007, which had been previously recorded under FASB Statement No. 5 or FASB Statement No. 109. The Company's unrecognized tax benefit at January 31, 2008 was $1,348,000. If recognized, the unrecognized tax benefit would have an impact on the effective tax rate.

The Company is subject to U.S. Federal income taxes, and also to various state, local and foreign income taxes. Tax regulations within each jurisdiction are subject to the interpretation of the related tax laws and regulations and require significant judgment to apply. The Company is not currently under examination by any tax authorities with respect to its income tax returns. In nearly all jurisdictions, the tax years through the fiscal year ended April 30, 2003 are no longer subject to examination.

There were no significant changes in unrecognized tax positions ("UTP") during the nine months ended January 31, 2008. The total amount of UTP could increase or decrease within the next twelve months for a number of reasons, including the expiration of statutes of limitations, audit settlements, tax examinations and the recognition and measurement considerations under FIN 48. At this time, the

Company estimates that it is reasonably possible that the liability for UTP will decrease by up to $400,000 in the next twelve months due to either the expiration of statutes of limitations or the recognition and measurement considerations under FIN 48.

The Company has elected to retain its existing accounting policy with respect to the treatment of interest and penalties attributable to income taxes in accordance with FIN 48, and continues to reflect interest and penalties attributable to income taxes, to the extent they arise, as a component of its income tax provision or benefit as well as its outstanding income tax assets and liabilities. The total amount of interest and penalties recognized in the accompanying consolidated balance sheets was $602,000 at January 31, 2008 and $395,000 at May 1, 2007 (date of adoption).

(3) Receivables, Net

Media services operations accounts receivable, net consist of the following (in thousands):

	January 31, 2008	April 30, 2007
Fulfillment Services	$ 33,547	$ 29,606
Newsstand Distribution Services, net of estimated returns	20,317	19,550
	53,864	49,156
Less allowance for doubtful accounts	(982)	(1,331)
	$ 52,882	$ 47,825

Newsstand Distribution Services accounts receivable are net of estimated magazine returns of $50,662,000 at January 31, 2008 and $52,275,000 at April 30, 2008. In addition, under a distribution arrangement with one publisher customer of the Newsstand Distribution Services business, that publisher bears the ultimate credit risk of non-collection of related amounts due from the customers to which the Company distributes the publisher's magazines. Accounts receivable subject to this arrangement were netted against the related accounts payable due the publisher on the accompanying consolidated balance sheets ($28,137,000 was netted at January 31, 2008 and $21,106,000 at April 30, 2007).

(4) Investment Assets, Net

Investment assets, net consist of the following (in thousands):

	January 31, 2008	April 30, 2007
Land held for long-term investment	$ 9,734	$ 9,039
Commercial rental properties:		
Land, buildings and improvements	760	3,535
Furniture and fixtures	40	42
	800	3,577
Less accumulated depreciation	(260)	(451)
	540	3,126
	$ 10,274	$ 12,165

During the second quarter 2008, the Company sold a commercial rental property in its real estate business with a book value of $2,876,000.

(5) Property, Plant and Equipment, Net

Property, plant and equipment, net consist of the following (in thousands):

	January 31, 2008	April 30, 2007
Land, buildings and improvements	$ 17,931	$ 17,217
Furniture and equipment and other	45,228	41,853
	63,159	59,070
Less accumulated depreciation	(33,138)	(28,552)
	$ 30,021	$ 30,518

(6) Intangible and Other Assets, Net

Intangible and other assets, net consist of the following (in thousands):

	January 31, 2008	April 30, 2007
Software development costs	$ 9,946	$ 9,461
Deferred order entry costs	5,839	5,837
Prepaid expenses	4,285	3,302
Customer contracts and relationships	15,000	15,000
Other	3,892	5,118
	38,962	38,718
Less accumulated amortization	(6,728)	(4,704)
	$ 32,234	$ 34,014

Software development costs include internal and external costs of the development of new or enhanced software programs and are generally amortized over five years. Deferred order entry costs represent costs incurred in connection with the data entry of customer subscription information to database files and are charged directly to operations over a 12-month period. Customer contracts and relationships are amortized over 12 years.

(7) Accounts Payable, Net and Accrued Expenses

Accounts payable, net and accrued expenses consist of the following (in thousands):

	January 31, 2008	April 30, 2007
Publisher payables, net	$ 75,232	$ 63,759
Accrued expenses	7,003	6,803
Trade payables	4,165	3,701
Other	6,405	9,294
	$ 92,805	$ 83,557

Pursuant to an arrangement with a publisher customer of the Newsstand Distribution Services business, the Company has netted $28,137,000 and $21,106,000 of accounts receivable against the related accounts payable at January 31, 2008 and April 30, 2007 (see Note 3).

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(8) Notes Payable

Notes payable consist of the following (in thousands):

January 31, 2008 April 30, 2007

Notes payable:		
Line-of-credit borrowings:		
Real estate operations and other	$ 17,000	$ 6,000
Media services operations	6,257	11,905
Real estate operations term loan	2,798	10,559
Other notes payable	2,642	3,835
	$ 28,697	$ 32,299

The Company's AMREP Southwest Inc. subsidiary has a revolving credit facility with a bank that originally was to mature in September 2008. During September 2007, the maturity date was extended to September 2009, with all other terms remaining unchanged.

On February 1, 2008, the Company's Kable Media Services group entered into a First Modification to its existing loan agreement with LaSalle Bank National Association dated as of January 16, 2007. The First Modification modifies the existing loan agreement by, among other things, (a) increasing the amount that may be borrowed for capital expenditures from $1,500,000 to $4,500,000, (b) allowing the borrowers the right to re-borrow the amounts of capital expenditure loans that have been repaid, (c) modifying the interest rate options the borrowers may select and (d) adding Kable Products Services, Inc., a recently organized member of the Kable Media Services group, as a borrower.

(9) Discontinued Operations

Loss from operations of discontinued business (net of income taxes) in the nine month period ended January 31, 2008 reflects costs associated with the settlement of all litigation related to the Company's El Dorado, New Mexico water utility subsidiary that were in addition to costs that were estimated and accrued for this matter in the fourth quarter of 2007.

(10) Restructuring and Fire Recovery Costs

The Company has announced a project to integrate certain aspects of the Kable and Palm Coast fulfillment operations in order to improve operating efficiencies and customer service and also to reduce costs. This project has resulted in one significant workforce reduction that occurred in the first quarter of 2008 together with a second quarter announced plan to redistribute the fulfillment services work performed at the Marion, Ohio facility. The Company has recorded charges to operations directly related to the integration project of $136,000 and $707,000 for the three and nine-month periods ending January 31, 2008.

On December 5, 2007 a warehouse of approximately 38,000 square feet leased by the Company in Oregon, Illinois was totally destroyed by an accidental fire. The warehouse was used principally to store back issues of magazines published by certain customers for whom the Company fills back-issue orders as part of its services. The Company is reviewing its insurance coverage, including coverage for materials of certain publishers for whom it was required to provide insurance and its business interruption coverage, and evaluating the impact of this event on its operations. At this point, the Company is unable to reach any

conclusions as to these matters or to determine the ultimate effect on its financial position, results of operations and cash flows. The Company is in the process of compiling data to submit to its insurer and has received no insurance proceeds. The Company has recorded charges to operations of $251,000 related to fire recovery costs for the three and nine-month periods ended January 31, 2008, principally related to legal and other costs that are not covered by insurance.

(11) Acquisition

The Company received a refund of $195,000 in the second quarter of 2008 in excess of a receivable valuation related to the acquisition of Palm Coast in 2007. The Company adjusted the original amount of goodwill recorded in the purchase accounting for the acquisition, in accordance with FASB Statement No. 141, "Business Combinations".

(12) Information About the Company's Operations in Different Industry Segments

The following tables set forth summarized data relative to the industry segments for continuing operations in which the Company operated for the three and nine-month periods ended January 31, 2008 and 2007 (tables in thousands):

	Real Estate Operations	Fulfillment Services	Newsstand Distribution Services	Co
Three months ended January 31, 2008 (a):				
Revenues	$ 6,943	$ 33,537	$ 2,944	$
Income from continuing operations	2,440	516	151	
Provision for income taxes from continuing operations	1,433	303	89	
Income from continuing operations before income taxes	3,873	819	240	
Interest expense (income), net (b)	-	1,236	(346)	
Depreciation and amortization	9	2,414	246	
EBITDA (c)	$ 3,882	$ 4,469	$ 140	$
Capital expenditures	$ 26	$ 1,544	$ 74	$
Three months ended January 31, 2007:				
Revenues	$ 17,355	$ 20,612	$ 3,737	$
Income from continuing operations	5,937	241	522	
Provision for income taxes from continuing operations	3,487	140	307	
Income from continuing operations before income taxes	9,424	381	829	
Interest expense (income), net (b)	-	456	(191)	
Depreciation and amortization	11	1,409	246	
EBITDA (c)	$ 9,435	$ 2,246	$ 884	$
Capital expenditures	$ 68	$ 252	$ -	$

Nine months ended January 31, 2008 (a):				
Revenues	$ 32,234	$ 94,560	$ 9,811	$
Income from continuing operations	12,167	(1,209)	959	

Provision (benefit) for income taxes from continuing operations	7,145	(705)	557	
Income (loss) from continuing operations before income taxes	19,312	(1,914)	1,516	
Interest expense (income), net (b)	-	4,097	(1,215)	
Depreciation and amortization	125	7,151	733	
EBITDA (c)	$ 19,437	$ 9,334	$ 1,034	$
Goodwill	$ -	$ 50,246	$ 3,893	$
Total assets	$ 95,755	$ 143,501	$ 45,371	$
Capital expenditures	$ 1,204	$ 4,344	$ 111	$
Nine months ended January 31, 2007:				
Revenues	$ 86,877	$ 57,153	$ 11,179	$
Income from continuing operations	35,575	1,168	1,592	
Provision for income taxes from continuing operations	20,894	685	935	
Income from continuing operations before income taxes	56,469	1,853	2,527	
Interest expense (income), net (b)	-	748	(309)	
Depreciation and amortization	112	3,782	707	
EBITDA (c)	$ 56,581	$ 6,383	$ 2,925	$
Goodwill	$ -	$ 50,768	$ 3,893	$
Total assets	$ 82,259	$ 147,893	$ 44,618	$
Capital expenditures	$ 2,564	$ 1,322	$ 8	$

(a) Segment information does not include net loss from discontinued operations of $57,000 in the nine months ended January 31, 2008.

(b) Interest expense, net includes inter-segment interest income and expense that is eliminated in consolidation.

(c) The Company uses EBITDA (which the Company defines as income from continuing operations before interest expense, net, income taxes and depreciation and amortization) in addition to income from continuing operations as a key measure of profit or loss for segment performance and evaluation purposes.

Item 2. Management's Discussion and Analysis of Financial Condition

and Results of Operations

INTRODUCTION

The Company, through its subsidiaries, is primarily engaged in three business segments: the Real Estate business operated by AMREP Southwest Inc. and its subsidiaries (collectively, "AMREP Southwest") and the Fulfillment Services and Newsstand Distribution Services businesses operated by Kable Media Services, Inc. and its subsidiaries (collectively, "Kable" or "Media Services"). The Company's foreign sales and activities are not significant.

The following provides information that management believes is relevant to an assessment and understanding of the Company's consolidated results of operations and financial condition. The discussion should be read in conjunction with the 2007 consolidated financial statements and accompanying notes. All references in this Item 2 to the third quarter or first nine months of 2008 and 2007 mean the fiscal three or nine-month periods ended January 31, 2008 and 2007.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Management's discussion and analysis of financial condition and results of operations is based on the accounting policies used and disclosed in the 2007 consolidated financial statements and accompanying notes that were prepared in accordance with accounting principles generally accepted in the United States of America and included as part of the Company's annual report on Form 10-K for the year ended April 30, 2007 (the "2007 Form 10-K"). The preparation of those consolidated financial statements required management to make estimates and assumptions that affected the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual amounts or results could differ from those estimates.

The significant accounting policies of the Company are described in Note 1 to the 2007 consolidated financial statements, and the critical accounting policies and estimates are described in Management's Discussion and Analysis included in Item 7 of the 2007 Form 10-K. There have been no changes in the critical accounting policies. Information concerning the implementation and the impact of new accounting standards issued by the Financial Accounting Standards Board ("FASB") is included in the notes to the 2007 consolidated financial statements. The Company adopted FASB Interpretation No. 48 ("FIN 48") effective May 1, 2007. The adoption of FIN 48 had no impact on the Company's financial condition, liquidity or results of operations. The Company did not adopt any other accounting policies in the first nine months of 2008.

RESULTS OF OPERATIONS

For the third quarter of 2008, net income was $3,446,000, or $0.57 per share, compared to net income of $6,930,000, or $1.04 per share, in the third quarter of 2007. Results for the third quarter of both 2008 and 2007 were entirely from continuing operations. For the first nine months of 2008, net income was $13,176,000, or $2.08 per share, compared to net income of $38,796,000, or $5.84 per share, for the same period of 2007. Results for the first nine 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 El Dorado, New Mexico 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 $43,435,000 and $136,885,000 for the third quarter and first nine months of 2008 compared to $42,189,000 and $156,513,000 for the same periods last year.

Revenues from land sales at AMREP Southwest were $6,302,000 and $27,613,000 for the three and nine-month periods ended January 31, 2008 compared to $16,563,000 and $80,760,000 for the same periods of the prior year. These decreases reflected substantially lower land sales in the Company's principal market of Rio Rancho, New Mexico, due to the slowdown of the real estate market in the greater Albuquerque-metro and Rio Rancho areas that began in earlier periods. Third quarter land sales revenues and gross profits in fiscal 2008 were primarily from the sale of two commercial properties, while in fiscal 2007 they were from sales of developed lots to homebuilders and commercial developers as well as from sales of undeveloped land. As previously reported, the number of permits for new home construction in both markets was down significantly for calendar 2007 compared to 2006, with Rio Rancho showing a decrease of nearly 50%. The Company believes that this decline was consistent with the well-publicized problems of the national home building industry, including fewer sales of both new and existing homes, the increasing number 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 home builders, commercial and industrial property developers and others. For the third quarter and first nine months of 2008 and 2007, the Company's land sales in Rio Rancho have been as follows:

	2008			2007	
	Acres Sold	Revenues (in 000's)	Revenues Per Acre (in 000's)	Acres Sold	Revenue (in 000'
Three months ended January 31:					
Developed					
Residential	-	$ -	$ -	27	$ 8,7
Commercial	25	5,731	229	12	3,9
Total Developed	25	5,731	229	39	12,6
Undeveloped	24	571	24	69	3,9
Total	49	$ 6,302	$ 129	108	$ 16,5
Nine months ended January 31:					
Developed					
Residential	30	$ 9,468	$ 316	108	$ 31,1
Commercial	39	8,651	222	56	15,7

Total Developed	69	18,119	263	164	46,8
Undeveloped	326	9,494	29	642	33,8
Total	395	$ 27,613	$ 70	806	$ 80,7

The average selling price per acre of developed land in the three and nine-month periods ended January 31, 2008 was lower compared to the same periods in 2007 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 third quarter and first nine 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 increased from 59% for the third quarter of 2007 to 63% for the third quarter of 2008. This increase was attributable to the previously noted commercial land sales during the quarter, which generally have a greater profit percentage than do sales of developed residential lots. The average gross profit percentage for the first nine months of 2007 was 68% compared to 65% for the same period of 2008. The decreased gross profit percentage for the first nine months of fiscal 2008 was principally attributable to a change in the mix of sales between commercial, developed and undeveloped lots sold in each period, with 2007 sales including a higher percentage of revenues from sales of commercial and undeveloped lots which generally have higher gross profit percentages. 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.

Revenues from Media Services, including both Fulfillment Services and Newsstand Distribution Services, increased from $24,116,000 and $67,855,000 for the third quarter and first nine months of 2007 to $36,458,000 and $104,317,000 for the same periods in 2008. These increases were attributable to the January 2007 acquisition of Palm Coast Data Holdco, Inc. ("Palm Coast") by Kable. Revenues from Fulfillment Services operations, including the revenues of Palm Coast, were

$33,524,000 and $94,542,000 for the third quarter and first nine months of 2008 compared to $20,604,000 and $57,141,000 in the same periods of the prior year. The increase in Fulfillment Services revenues resulting from the Palm Coast acquisition ($13,814,000 and $41,140,000 in the third quarter and first nine months) which was included in the consolidated financial statements for a 15 day period after its acquisition in the third quarter 2007, 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 $3,512,000 and $10,714,000 for the third quarter and first nine months of 2007 to $2,934,000 and $9,775,000 for the same periods in 2008. The decrease in Newsstand Distribution Services revenues was due to reduced billings and lower commission rates, as well as the inclusion of certain revenues in the prior year that did not reoccur in 2008. Kable's operating expenses increased by $10,196,000 and $33,116,000 for the third quarter and first nine months of 2008 compared to the same periods in 2007, with such increases being primarily attributable to the additional operating expenses of Palm Coast, which were offset in part by decreased payroll and benefit expenses resulting from lower revenue in other parts of the Fulfillment Services business.

The Company has announced a project to integrate certain aspects of the Kable and Palm Coast fulfillment operations in order to improve operating efficiencies and customer service and also to reduce costs. This project has resulted in one significant workforce reduction that occurred in the first quarter of 2008 together with a second quarter announced plan to redistribute the fulfillment services work performed at the Marion, Ohio facility of its Fulfillment Services business and the scheduled closing of the Ohio facility. Approximately $700,000 in severance-related costs is projected to be paid in connection with the Ohio facility closure, which will be recorded as positions are eliminated during the transitional period ending September 2008. Following the completion of this program, the Company anticipates realizing annual cost savings of approximately $2,000,000, which will bring the total estimated cost savings of the two actions to approximately $4,700,000 annually. The Company has recorded charges to operations directly related to the integration project of $136,000 and $707,000 for the three and nine-month periods ending January 31, 2008.

On December 5, 2007 a warehouse of approximately 38,000 square feet leased by the Company in Oregon, Illinois was totally destroyed by an accidental fire. The warehouse was used principally to store back issues of magazines published by certain customers for whom the Company fills back-issue orders as part of its services to these customers. The Company is reviewing its insurance coverage, including coverage for materials of certain publishers for whom it was required to provide insurance and its business interruption coverage, and evaluating the impact of this event on its operations. At this point, the Company is unable to reach any definitive conclusions as to these matters or to determine the ultimate effect on its financial position, results of operations and cash flows. The Company is in the process of compiling data to submit to its insurer and has received no insurance proceeds. The Company has recorded charges to operations of $251,000 related to fire recovery costs for the three and nine-month periods ended January 31, 2008, principally related to legal and other costs that are not covered by insurance.

Interest and other revenues were $675,000 and $4,955,000 for the three and nine-month periods ended January 31, 2008 compared to $1,510,000 and $7,898,000 for the same periods in the prior year. The decrease in the 2008 third quarter interest and other revenues compared to the same period in 2007 is the result of lower cash balances to invest. During the second quarter of 2008, the Company sold a commercial rental property at AMREP Southwest that resulted in a pre-tax gain of $1,873,000, and it also recognized pre-tax income of $618,000 from the forfeiture of a deposit for the purchase of land by a homebuilder who did not exercise a purchase option. During the first quarter of 2007, the Company sold certain of AMREP Southwest's investment assets, including the Company's office building in Rio Rancho, which in the aggregate contributed a pre-tax gain of $4,107,000.

Real estate commissions and selling expenses increased by $27,000 in the third quarter of 2008 compared to the same period in 2007, and decreased by $546,000 for the nine-month period of 2008 compared to the same period in 2007. Commissions and selling expenses generally vary depending upon the terms of specific land sale transactions. Other operating expenses decreased $519,000 and $146,000 for the three and nine-month periods ended January 31, 2008 compared to the same periods in 2007 primarily due to a favorable adjustment of approximately $550,000 in the third quarter of 2008 for real estate tax expense resulting from the finalization of a property tax valuation appeal by AMREP Southwest.

General and administrative costs of Media Services operations increased $899,000 and $3,771,000 in the third quarter and first nine months of 2008 compared to the same periods in 2007, primarily due to the addition of Palm Coast partially offset by reduced spending in other Media Services operations. Real estate and corporate general and administrative expenses in the third quarter of 2008 increased by $64,000, including increased Sarbanes-Oxley consulting and salaries that were partially offset by decreases in legal and pension expenses. Real estate and corporate general and administrative expenses decreased by $225,000 for the nine-month period ended January 31, 2008 compared to the same period in 2007 primarily due to reduced professional and consulting fees associated with the real estate business.

LIQUIDITY AND CAPITAL RESOURCES

During the past several years, the Company has financed its operations from internally generated funds from real estate sales and Media Services operations, and from borrowings under its various lines-of-credit and development loan agreements.

Cash Flows From Financing Activities

AMREP Southwest has a revolving credit facility with a bank that originally was to mature in September 2008. During September 2007, the maturity date was extended to September 2009, with all other terms remaining unchanged.

On February 1, 2008, the Company's Kable Media Services group entered into a First Modification to its existing loan agreement with LaSalle Bank National Association dated as of January 16, 2007. The First Modification modifies the existing loan agreement by, among other things, (a) increasing the amount that may be borrowed for capital expenditures from $1,500,000 to $4,500,000, (b) allowing the borrowers the right to re-borrow the amounts of capital expenditure loans that have been repaid, (c) modifying the interest rate options the borrowers may select and (d) adding Kable Products Services, Inc., a recently organized member of the Kable Media Services group, as a borrower.

Cash Flows From Operating Activities

Cash and cash equivalents decreased from $42,102,000 at April 30, 2007 to $24,928,000 at January 31, 2008, as net cash provided by operating activities was more than offset by the Company's acquisition of treasury stock at a cost of $21,363,000.

Real estate inventory was $66,416,000 at January 31, 2008 compared to $46,584,000 at April 30, 2007. Inventory in the Company's core real estate market of Rio Rancho was $59,433,000 at January 31, 2008 and $39,770,000 at April 30, 2007. The increase in real estate inventory in Rio Rancho was primarily attributable to capitalized costs incurred for the improvement of certain projects that are in the initial stages of site development. In addition, the Company reclassified approximately $3,900,000 to real estate inventory from receivables during the quarter ended January 31, 2008 resulting from the receipt of a deed in lieu of foreclosure related to a delinquent mortgage receivable. The balance of real estate inventory consisted of

properties in Colorado. Real estate investment assets, which includes land held for long-term investment located in areas not planned to be developed in the near term and thus not offered for sale, decreased from $12,165,000 at April 30, 2007 to $10,274,000 at January 31, 2008 primarily as a result of the sale of a commercial rental property at AMREP Southwest.

Real estate receivables decreased from $25,117,000 at April 30, 2007 to $13,333,000 at January 31, 2008, resulting primarily from the net effect of payments received on previously issued mortgage notes offset in part by mortgage notes received in connection with real estate sales that closed during the first nine months of 2008 and from the reclassification of approximately $3,900,000 to real estate inventory from receivables, as discussed above. Receivables from Media Services operations increased from $47,825,000 at April 30, 2007 to $52,882,000 at January 31, 2008, primarily due to higher quarter-end billings at January 31, 2008 compared to April 30, 2007.

Accounts payable and accrued expenses increased from $83,557,000 at April 30, 2007 to $92,805,000 at January 31, 2008, primarily as a result of an increase in the amounts due publishers. In addition, under a distribution arrangement with one publisher customer of the Newsstand Distribution Services business, that publisher bears the ultimate credit risk of non-collection of related amounts due from the customers to which the Company distributes the publisher's magazines. Accounts receivable subject to this arrangement were netted ($28,137,000 was netted at January 31, 2008 and $21,106,000 was netted at April 30, 2007) against the related accounts payable due the publisher on the accompanying consolidated balance sheets.

Deferred revenue relates to consideration received on certain real estate land sales which are accounted for under the percentage of completion method and which will be recognized as revenue as the Company completes land development work which it is obligated to perform. Deferred revenue decreased from $4,352,000 at April 30, 2007 to none at January 31, 2008 as related sales recorded under the percentage of completion were completed and no new percentage of completion sales were recorded.

Cash Flows From Investing Activities

Capital expenditures amounted to $5,662,000 and $3,910,000 in the first nine months of 2008 and 2007, primarily for computer hardware and software development expenditures related to Kable's Fulfillment Services business and the acquisition of real estate investment property. The Company believes that it has adequate cash and financing capability to provide for its anticipated future capital expenditures.

Future Payments Under Contractual Obligations

The Company is obligated to make future payments under various contracts, including its debt agreements and lease agreements, and is subject to certain other commitments and contingencies. The table below summarizes significant contractual obligations as of January 31, 2008 for the items indicated (in thousands):

Contractual Obligations	Total	Less than 1 year	1 - 3 years	3 - 5 years
Notes payable	$28,697	$ 4,462	$23,912	$ 323
Operating leases and other	24,445	5,183	9,678	6,402
Total	$55,092	$ 9,645	$33,590	$ 6,725

The decrease in notes payable from April 30, 2007 was primarily due to lower borrowings by Kable offset in part by additional borrowings by AMREP Southwest. Operating leases and other includes $1,950,000 of unrecognized tax benefits and related interest accrued in accordance with FIN 48. Refer to Notes 9, 14 and 15 to the consolidated financial statements included in the 2007 Form 10-K for additional information on long-term debt and commitments and contingencies.

Discretionary Stock Repurchase Program

The Company announced on October 8, 2007 that its Board of Directors had authorized the repurchase of up to 500,000 shares of the Company's common stock, which was in addition to the previously announced 500,000 share repurchase program that was completed in early October 2007. The purchases may be made from time-to-time either in the open market or through negotiated private transactions with non-affiliates of the Company. For the nine months ended January 31, 2008, the Company had purchased a total of 658,400 shares under both announced programs, all in open market transactions, for a total purchase price, including commissions, of $21,363,000, or an average of $32.45 per share.

All repurchases were funded from cash on hand and borrowings, and the Company expects to fund any future purchases from internally generated cash or borrowings.

Risk Factors

In addition to the other information set forth in this report, the factors discussed in Part I, "Item 1A. Risk Factors." in the Company's 2007 Form 10-K, which could materially affect the Company's business, financial condition or future results, should be carefully considered. The risks described in the 2007 Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that currently are deemed to be immaterial also may materially adversely affect the Company's business, financial condition or operating results.

Statement of Forward-Looking Information

The Private Securities Litigation Reform Act of 1995 (the "Act") provides a safe harbor for forward-looking statements made by or on behalf of the Company. The Company and its representatives may from time to time make written or oral statements that are "forward-looking", including statements contained in this report and other filings with the Securities and Exchange Commission, reports to the Company's shareholders and news releases. All statements that express expectations, estimates, forecasts or projections are forward-looking statements within the meaning of the Act. In addition, other written or oral statements, which constitute forward-looking statements, may be made by or on behalf of the Company. Words such as "expects", "anticipates", "intends", "plans", "believes", "seeks", "estimates", "projects", "forecasts", "may", "should", variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve certain risks, uncertainties and contingencies that are difficult to predict. These risks and uncertainties include, but are not limited to, the risks described above under the heading "Risk Factors". Many of the factors that will determine the Company's future results are beyond the ability of management to control or predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in or suggested by such forward-looking statements. The forward-looking statements contained in this report include, but are not limited to, statements regarding the project to integrate the operations of the Fulfillment Services business and the estimated cost savings of the workforce reduction. The Company undertakes no obligation to revise or update any forward-looking statements, or to make any other forward-looking statements, whether as a result of new information, future events or otherwise.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company has several credit facilities that require the Company to pay interest at a rate that may change periodically. These variable rate obligations expose the Company to the risk of increased interest expense in the event of increases in short-term interest rates. At January 31, 2008, borrowings of $26,055,000 were subject to variable interest rates. Refer to Item 7(A) of the 2007 Form 10-K for additional information regarding quantitative and qualitative disclosures about market risk.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of the Company's chief financial officer and the other executive officers whose certifications accompany this quarterly report, has evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. As a result of such evaluation, the chief financial officer and such other executive officers have concluded that such disclosure controls and procedures are effective to provide reasonable assurance that the information required to be disclosed in the reports the Company files or submits under the Securities Exchange Act of 1934 is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to the Company's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate, to allow timely decisions regarding disclosure. The Company believes that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected.

Changes in Internal Control over Financial Reporting

No change in the Company's system of internal control over financial reporting occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

The following table sets forth information regarding purchases of the Company's common stock by the Company and any of its "affiliated purchasers" (as defined in Rule 10-b-18(a)(3) under the Securities Exchange Act of 1934) during the quarter ended January 31, 2008.

Period	Total Number of Shares Purchased (1)(2)	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maxim Shares Purcha Pla
November 1, 2007 - November 30, 2007	10,000	$31.86	10,000	
December 1, 2007 - December 31, 2007	47,500	$31.73	32,000	
January 1, 2008 - January 31, 2008	65,000	$29.43	-	
Total	122,500	$30.52	42,000	

Note (1) - On October 8, 2007, the Company announced that its Board of Directors had authorized the repurchase of up to 500,000 shares of the Company's common stock from time to time in the open market or through negotiated private transactions. There is no designated expiration date for the program. All of the Company's purchases were made in the open market and were part of the publicly announced program.

Note (2) - Includes shares purchased by Nicholas G. Karabots, the Company's controlling shareholder and who may be deemed to be an affiliated purchaser, as follows: 15,500 shares in December; and 65,000 shares in January, as reported on Forms 4 filed by Mr. Karabots with the Securities and Exchange Commission. Such purchases were all made in the open market and were not pursuant to any publicly announced plan or program. The Company purchased no shares in January 2008.

Item 6. Exhibits

Exhibit No.	Description
31.1	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.2	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934.
31.3	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934.
32	Certification required pursuant to 18 U.S.C. Section 1350.

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 thereunto duly authorized.

Date: March 10, 2008

AMREP CORPORATION
(Registrant)

By: /s/ Peter M. Pizza

Peter M. Pizza
Vice President and Chief Financial Officer
(Principal Financial and Accounting Officer)

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EXHIBIT INDEX

Exhibit No.	Description
31.1	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934 - Filed herewith.
31.2	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934 - Filed herewith.
31.3	Certification required by Rule 13a-14(a) under the Securities Exchange Act of 1934 - Filed herewith.
32	Certification required pursuant to 18 U.S.C. Section 1350 - Filed herewith.

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