

2002 Highlights

- Seventh consecutive record year
- Over \$1 Billion in revenues for the first time in history
- Record income, year-end backlog, gross margins and operating margins
- Twelfth consecutive year with homeowner approval rating of 95% or greater



M/I Schottenstein Homes Profile

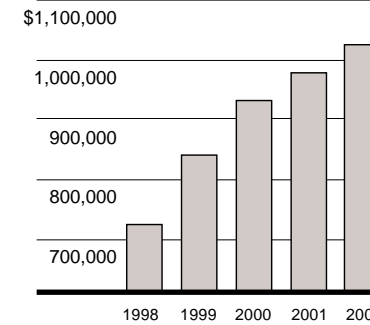
Founded in 1976, M/I Schottenstein Homes is one of the nation's leading builders of single-family homes. Since its inception, the Company has sold more than 53,000 homes under the M/I and Showcase Homes tradenames. During the past 27 years, M/I Schottenstein Homes has established an exemplary reputation based on a strong commitment to

superior customer service, innovative design, quality construction and premier locations.

M/I Schottenstein Homes serves a broad segment of the market including first-time, move-up, luxury and empty-nester buyers. Listed on the New York Stock Exchange, the Company's stock is traded under the ticker symbol MHO.

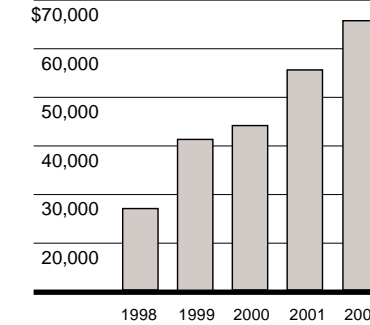
Revenue

(in thousands)



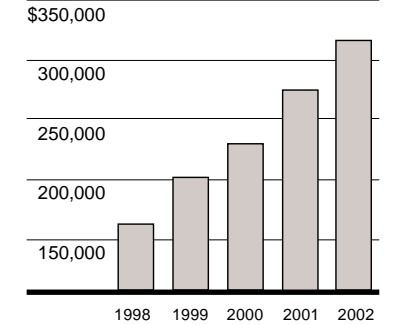
Net Income

(in thousands)



Shareholders' Equity

(in thousands)



Income Statement Data

Year Ended December 31, (dollars in thousands, except per share amounts)

	2002	2001	2000	1999	1998
Revenue	\$1,033,025	\$976,766	\$935,039	\$852,445	\$739,613
Gross Margin	249,273	221,554	198,972	184,570	151,114
Operating Income	123,010	101,210	90,918	83,180	59,681
Income Before Income Taxes	109,200	85,042	72,564	68,780	46,553
Net Income	66,612	55,282	44,444	41,611	27,651
Net Income Per Share (Diluted)	\$4.30	\$3.56	\$2.76	\$2.34	\$1.63

Unit Data

Year Ended December 31, (dollars in thousands)

	2002	2001	2000	1999	1998
New Contracts	4,130	4,447	4,027	4,072	4,108
Homes Delivered	4,140	4,227	4,070	3,941	3,629
Backlog	2,321	2,331	2,111	2,154	2,023
Backlog Sales Value	\$567,000	\$559,000	\$492,000	\$490,000	\$439,000
Backlog Average Sales Price	\$244	\$240	\$233	\$228	\$217

Balance Sheet Data

At December 31, (dollars in thousands, except per share amounts)

	2002	2001	2000	1999	1998
Homebuilding Inventory	\$451,217	\$479,236	\$449,434	\$432,702	\$323,500
Total Assets	578,458	612,110	567,642	531,562	427,147
Homebuilding Debt	62,658	164,227	182,519	196,675	131,793
Shareholders' Equity	339,729	279,891	228,889	200,512	166,640
Shareholders' Equity Per Share	\$22.97	\$18.74	\$15.28	\$12.06	\$9.46

To Our Shareholders And Friends

2002 was another great year for M/I Homes. Our long standing commitment to superior service, quality construction and integrity have culminated in our seventh consecutive record year. We achieved record results in many areas including revenue, income and backlog.

Net income for 2002 reached \$66.6 million, an all-time record for our Company and a 21% increase over the previous record set in 2001. Revenue exceeded \$1 billion for the first time in our history. Our year-end backlog consisted of 2,321 homes with a record value of \$567 million and a record average sales price of \$244,000.

Our focus on margins and profitability has long been one of our core strengths. This was clearly evident in our 2002 results as gross margins for the year exceeded 24% and operating margins equaled 11.9% – both Company records. These strong margins once again place M/I Homes at or near the top of our industry.

The overall financial condition of our Company has never been stronger, with 2002's return on equity reaching 24% and year-end shareholders' equity reaching \$340 million. Our record equity is even more impressive considering that during the past several years, we have invested \$40 million in our stock repurchase program. In a year dominated by falling stock prices in the general market, we

were pleased to announce a two-for-one stock split in June. For the year, our stock price increased 12% – following a 106% increase in 2001 and a 55% increase in 2000. Our stock outperformed both the S&P 500 and the S&P Homebuilding Index in 2002.

As pleased as we are with our financial performance, we know that our record-setting results would not have been possible without the exceptional customer service demonstrated by all of our employees and associates. As with any business, the future profitability of our Company is largely influenced by the success we have in achieving high levels of customer satisfaction. Perhaps the greatest vote of confidence we can receive is for M/I homeowners to recommend us to other potential buyers. In 2002, 99% of our homebuyers stated that they would recommend M/I Homes to others. This represents our twelfth consecutive year with a homeowner approval rating of at least 95%. We believe this standard is unmatched in our industry.

We consider our operating markets to be among the premier housing markets in the United States and continue to be very pleased with their results. We are committed to growth, and while most of our divisions had very strong years in 2002, we believe our Columbus, Indianapolis, Tampa, Orlando and Charlotte divisions offer the best future growth opportunities for M/I Homes.

Providing homes in desirable locations has been, and will always be, a crucial factor in our success and a continuing area of focus. We have consistently stated that we are in the subdivision business and we believe our current subdivisions are the best M/I has ever offered.

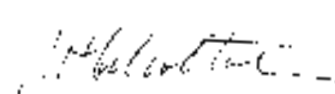
Given the strength of our markets, our strong year-end backlog and land position, and the quality and dedication of our management and employees, we eagerly look forward to 2003 and the years that follow. As we begin a new year of homebuilding excellence, we are well positioned as an industry leader to continue providing superior customer service,

delivering homes of the highest quality, and maintaining our focus on increasing profitability and shareholder value.

We thank our shareholders for their support in helping us build a successful company with an exciting future. We thank our homebuyers for placing their trust in us to provide them with quality homes. And we thank the dedicated employees and associates of M/I Schottenstein Homes whose exceptional efforts and devotion to our customers have allowed us to become one of the nation's leading homebuilders.

February 17, 2003




Robert H. Schottenstein
President


Irving E. Schottenstein
Chairman and Chief Executive Officer


Steven Schottenstein
Chief Operating Officer

I wanted
my very own **Bedroom**
a **Huge Yard** to play in
somewhere to **Ride My Bike**
lots of new friends



A Place To Grow.



A homeowner approval rating of at least **95%** for the past twelve years.

As always, homebuyers want a home where they can watch their families grow. They want communities where people know their neighbors and where kids can play in nearby parks and open green spaces. At M/I Homes, these ideas are integrated into the communities and home designs we offer.

We're designing many of our neighborhoods around certain eras and influences. Our home designs are also more flexible than ever, allowing families to build a home that changes with their lifestyle and needs.

That's why we've become one of the nation's largest homebuilders. Meeting the changing demands of today's homebuyers is one of the primary reasons M/I Homes has earned a minimum homeowner approval rating of 95% for the past twelve years. During 2002, our homeowner approval rating was 99% – a standard of excellence we believe is unmatched in our industry.

We had to have
Great Schools
for the kids
four **Bedrooms**
room to **Grow**
Convenience



A Place To Call Home.



We focus on the customer's point of view when researching the best locations for our communities. Is it convenient? Is it in a good school district? Is it a desirable area? We know we will deliver a quality community in a desirable location when we can answer yes to these questions.

Our goal with every community is to create a carefully planned, aesthetically pleasing neighborhood. We are intensely involved in all phases of land planning and development, which enables us to influence the look and feel of the community.

Today, elements of the past are captured in many of our communities through our attention to detail and innovative land

plans. More and more, we're designing our communities around parks, open green spaces and gazebos. We're also incorporating tree-lined streets, decorative streetlights, sidewalks, walking paths, preserves, lakes and other features to further complement the neighborhood.

"Themed" communities are among our most successful. From Mediterranean-inspired communities in Florida to Georgian-style communities in Ohio and Washington, D.C., our diverse line of products fulfills a variety of individual tastes. Trends such as increased outdoor living and neighborhood gatherings have inspired large front porches, recessed garages and common green spaces in many of our neotraditional neighborhoods.





Our diverse line of products allows for individual tastes

Late in 2002, we opened a new community in northeast Columbus called Upper Albany. A traditional Neighborhood Development, Upper Albany features three distinct newly designed series of homes. The community is designed to promote neighbor interaction and the aesthetics of the streetscape – large front porches, garages accessed by rear carriageways, parks and open green spaces. In the first three months, over 60 homes were sold.

We remain conservative in our land acquisition policies and only purchase land that is zoned and serviceable by utilities. We seek to control a three- to five-year supply of land. Our expertise in acquiring and developing land,

along with experienced management and marketing knowledge, gives us an advantage in controlling premier locations.

Keeping up with current trends enables us to maintain our competitive edge. We continually research new housing products, building techniques and consumer preferences to increase profitability and maximize customer satisfaction. And by partnering with governmental agencies, we are able to offer down payment assistance and work equity programs to reduce down payment requirements and allow homebuyers to participate in the construction of their new home.





I needed
an Entertainment room
an Office
a Security System
Peace of Mind

A builder who gives me Confidence.



Our Exclusive
Confidence Builder
Program



The Confidence Builder Program is designed to give M/I's homebuyers assurance during the building process. At various stages, we employ a series of checks and balances to ensure the overall quality of the home and give peace of mind to our homebuyers.

It begins with a Pre-Construction Conference, where detailed house plans are reviewed and the construction schedule is discussed. During this Conference, a hard hat is given to each M/I homebuyer. This is an invitation to visit the home during the construction process to view M/I's quality construction first-hand.

Also, we provide our customers with a Guaranteed Completion Date; we know this is one of the most important factors to buyers when building a new home. And, as various building steps are completed and inspected, the Personal Construction Supervisor signs a Quality Control Card, which is posted in the home, assuring it meets M/I's quality standards.

The Confidence Builder Program also includes the convenience of a Design Center in our Columbus, Indianapolis, Tampa and Cincinnati markets as well as our newest Design Center in Orlando,



opening in 2003. These Design Centers allow homebuyers to view and select interior and exterior options with assistance from a professional design consultant.

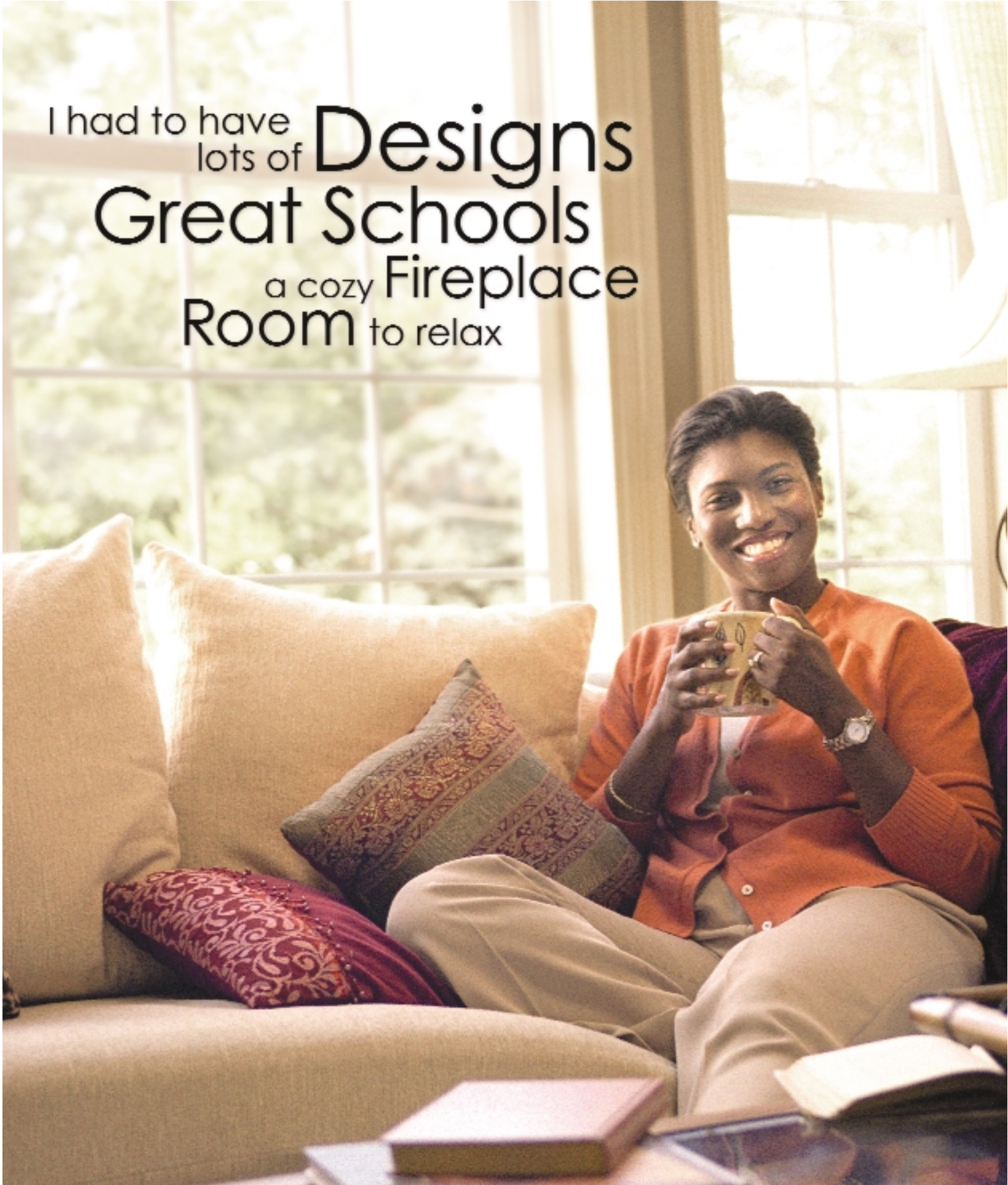
After construction is complete, buyers attend a Pre-Settlement Conference, which includes a walk-through of their new home. We guarantee the completion of any outstanding items before our buyers move into their home.

We offer a wide range of competitive mortgages

Our commitment to our homebuyers doesn't stop at the completion of the construction process. We offer comprehensive homeowner service after closing. We believe this contributes greatly to our superior homeowner approval rating.

Through M/I Financial Corp., our mortgage-banking subsidiary, we offer a wide range of competitive conventional and government mortgages at fixed and adjustable rates. Title services are also provided to meet our customers' needs. Our buyers enjoy the convenience of building, financing and closing entirely through M/I.

I had to have
lots of **Designs**
Great Schools
a cozy **Fireplace**
Room to relax



A Builder I Trust.

Our homebuyers want exceptional locations, community amenities, innovative home designs, outstanding craftsmanship and superior levels of support and service. But, perhaps most importantly, today's buyer wants a builder they can trust.

While competitors offer similar home styles and neighboring locations, the similarities stop there. We differentiate ourselves in many ways – especially through our dedication to quality and commitment to homeowner satisfaction. Our solid reputation continues to be built one home at a time.

Our experienced leadership team anticipates and prepares for change. A corporate team of seasoned professionals supports each operating division in the areas of land development, research and design, finance, marketing, legal, information systems, human resources and accounting. We work diligently in all areas to contribute to future growth.

The effectiveness of these business concepts is reflected in our performance. Growth in revenue and income has been dramatic



and customer satisfaction is a steadfast principle that makes M/I Homes one of the nation's most respected and profitable homebuilders.

We will continue to focus on premier locations and innovative home designs as we look to the future. As always, we will continue to give superior customer service. And our strong, forward-thinking leadership will focus on increasing profitability and shareholder value.

