

NATIONWIDE HEALTH PROPERTIES INC

Form 10-Q

May 04, 2005

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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 March 31, 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 1-9028

NATIONWIDE HEALTH PROPERTIES, INC.

(Exact Name of Registrant as Specified in Its Charter)

Maryland
(State or Other Jurisdiction of Incorporation
or Organization)

95-3997619
(I.R.S. Employer
Identification No.)

610 Newport Center Drive, Suite 1150

Newport Beach, California 92660

(Address of Principal Executive Offices)

(949) 718-4400

(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

Shares of registrant's common stock, \$0.10 par value, outstanding at April 30, 2005: 67,097,546.

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Table of Contents**Part I. Financial Information****Item 1. Financial Statements****NATIONWIDE HEALTH PROPERTIES, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

	March 31, 2005	December 31, 2004
	(Unaudited)	
	(Dollars in thousands)	
ASSETS		
Investments in real estate		
Real estate properties:		
Land	\$ 193,790	\$ 187,666
Buildings and improvements	1,719,039	1,665,290
	<u>1,912,829</u>	<u>1,852,956</u>
Less accumulated depreciation	(316,225)	(303,766)
	<u>1,596,604</u>	<u>1,549,190</u>
Mortgage loans receivable, net	75,032	75,453
Investment in unconsolidated joint venture	12,076	12,747
	<u>1,683,712</u>	<u>1,637,390</u>
Cash and cash equivalents	9,184	8,473
Receivables	6,475	7,470
Assets held for sale	2,161	3,050
Other assets	49,459	53,728
	<u>\$ 1,750,991</u>	<u>\$ 1,710,111</u>
LIABILITIES AND STOCKHOLDERS EQUITY		
Borrowings under unsecured revolving credit facility	\$ 246,000	\$ 186,000
Senior notes due 2006-2038	452,000	470,000
Notes and bonds payable	194,988	187,409
Accounts payable and accrued liabilities	53,353	50,876
Stockholders' equity:		
Preferred stock \$1.00 par value; 5,000,000 shares authorized;		
Series A, 1,000,000 shares issued and outstanding at March 31, 2005 and December 31, 2004, stated at liquidation preference of \$100 per share	100,000	100,000
Series B, 1,064,500 shares issued and outstanding at March 31, 2005 and none at December 31, 2004, stated at liquidation preference of \$100 per share	106,450	106,450
Common stock \$0.10 par value; 100,000,000 shares authorized; 67,096,171 and 66,805,959 issued and outstanding at March 31, 2005 and December 31, 2004, respectively	6,710	6,681

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Capital in excess of par value	872,542	868,091
Cumulative net income	822,136	808,775
Cumulative dividends	(1,103,188)	(1,074,171)
	<u> </u>	<u> </u>
Total stockholders' equity	804,650	815,826
	<u> </u>	<u> </u>
	\$ 1,750,991	\$ 1,710,111
	<u> </u>	<u> </u>

See accompanying notes.

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NATIONWIDE HEALTH PROPERTIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended	
	March 31,	
	2005	2004
	(In thousands, except per share amounts)	
Revenues:		
Rental income	\$ 48,946	\$ 37,804
Interest and other income	2,495	3,177
	<u>51,441</u>	<u>40,981</u>
Expenses:		
Interest and amortization of deferred financing costs	14,586	12,622
Depreciation and amortization	13,339	10,423
General and administrative	3,901	3,867
Impairment of assets	7,019	
	<u>38,845</u>	<u>26,912</u>
Income before unconsolidated joint venture	12,596	14,069
Income from unconsolidated joint venture	847	412
	<u>13,443</u>	<u>14,481</u>
Income from continuing operations	13,443	14,481
Discontinued operations:		
Gain on sale of facilities, net	33	
(Loss)/Income from discontinued operations	(115)	75
	<u>(82)</u>	<u>75</u>
Net income	13,361	14,556
Preferred stock dividends	(3,982)	(1,919)
	<u>\$ 9,379</u>	<u>\$ 12,637</u>
Income available to common stockholders	\$ 9,379	\$ 12,637
Basic/diluted per share amounts:		
Income from continuing operations available to common stockholders	\$ 0.14	\$ 0.19
Discontinued operations	\$	\$ 0.01
	<u>\$ 0.14</u>	<u>\$ 0.20</u>
Income available to common stockholders	\$ 0.14	\$ 0.20

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Dividends paid per share	\$ 0.37	\$ 0.37
	<u> </u>	<u> </u>
Diluted weighted average shares outstanding	67,053	64,796
	<u> </u>	<u> </u>

See accompanying notes.

Table of Contents**NATIONWIDE HEALTH PROPERTIES, INC.****CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS EQUITY****(Unaudited)****(In thousands)**

	<u>Preferred stock</u>		<u>Common stock</u>		<u>Capital in excess of par value</u>	<u>Cumulative net income</u>	<u>Cumulative dividends</u>	<u>Total stockholders equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>				
Balances at December 31, 2004	2,065	\$ 206,450	66,806	\$ 6,681	\$ 868,091	\$ 808,775	\$ (1,074,171)	\$ 815,826
Issuance of common stock			290	29	4,355			4,384
Stock option amortization					96			96
Net income						13,361		13,361
Preferred dividends							(3,982)	(3,982)
Common dividends							(25,035)	(25,035)
Balances at March 31, 2005	2,065	\$ 206,450	67,096	\$ 6,710	\$ 872,542	\$ 822,136	\$ (1,103,188)	\$ 804,650

See accompanying notes.

Table of Contents**NATIONWIDE HEALTH PROPERTIES, INC.****CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(Unaudited)**

	Three Months Ended March 31,	
	2005	2004
(In thousands)		
Cash flows from operating activities:		
Net income	\$ 13,361	\$ 14,556
Non-cash adjustments to reconcile net income to cash provided by operating activities:		
Depreciation and amortization	13,339	10,423
Depreciation and amortization in discontinued operations	7	64
Gain on sale of facilities	(33)	
Impairment of assets	7,169	
Amortization of deferred financing costs	447	299
Mortgage loan discount accretion		(106)
Equity in earnings from unconsolidated joint venture	(754)	(318)
Cash distribution from unconsolidated joint venture	550	600
Changes in operating assets and liabilities:		
Receivables	995	(2,279)
Other assets	1,605	(3,411)
Accounts payable and accrued liabilities	2,536	4,634
Net cash provided by operating activities	39,222	24,462
Cash flows from investing activities:		
Investment in real estate facilities	(56,545)	(79,454)
Disposition of real estate facilities	2,126	
Return of investment from unconsolidated joint venture	875	594
Principal payments on mortgage loans receivable	421	6,173
Net cash used in investing activities	(53,123)	(72,687)
Cash flows from financing activities:		
Borrowings under unsecured revolving credit facility	101,000	79,000
Repayment of borrowings under unsecured revolving credit facility	(41,000)	(117,000)
Issuance of common stock, net	4,384	