

CBL & ASSOCIATES PROPERTIES INC
Form 10-Q
November 09, 2011
Table of Contents

UNITED STATES OF AMERICA
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2011

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 NO. 1-12494

CBL & ASSOCIATES PROPERTIES, INC.
(Exact Name of registrant as specified in its charter)

DELAWARE 62-1545718
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

2030 Hamilton Place Blvd., Suite 500, Chattanooga, TN 37421-6000
(Address of principal executive office, including zip code)
423.855.0001

(Registrant's telephone number, including area code)
N/A

(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 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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

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

Large accerlerated filer Accerlerated filer
Non-accelerated filer (Do not check if smaller reporting company) Smaller Reporting Company

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes

No

As of November 2, 2011, there were 148,364,359 shares of common stock, par value \$0.01 per share, outstanding.

1

Table of Contents

CBL & Associates Properties, Inc.

Table of Contents

PART I	FINANCIAL INFORMATION	<u>3</u>
<u>Item 1.</u>	<u>Condensed Consolidated Financial Statements (Unaudited)</u>	<u>3</u>
	<u>Condensed Consolidated Balance Sheets as of September 30, 2011 and December 31, 2010</u>	<u>3</u>
	<u>Condensed Consolidated Statements of Operations for the Three and Nine Month Periods Ended September 30, 2011 and 2010</u>	<u>4</u>
	<u>Condensed Consolidated Statements of Equity for the Nine Months Ended September 30, 2011 and 2010</u>	<u>6</u>
	<u>Condensed Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2011 and 2010</u>	<u>8</u>
	<u>Notes to Unaudited Condensed Consolidated Financial Statements</u>	<u>10</u>
<u>Item 2.</u>	<u>Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>31</u>
<u>Item 3.</u>	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	<u>52</u>
<u>Item 4.</u>	<u>Controls and Procedures</u>	<u>52</u>
PART II	OTHER INFORMATION	<u>52</u>
<u>Item 1.</u>	<u>Legal Proceedings</u>	<u>52</u>
<u>Item 1A.</u>	<u>Risk Factors</u>	<u>53</u>
<u>Item 2.</u>	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>66</u>
<u>Item 3.</u>	<u>Defaults Upon Senior Securities</u>	<u>66</u>
<u>Item 4.</u>	<u>(Removed and Reserved)</u>	<u>66</u>
<u>Item 5.</u>	<u>Other Information</u>	<u>66</u>
<u>Item 6.</u>	<u>Exhibits</u>	<u>66</u>
	<u>SIGNATURE</u>	<u>67</u>

Table of Contents

PART I – FINANCIAL INFORMATION

ITEM 1: Financial Statements

CBL & Associates Properties, Inc.
Condensed Consolidated Balance Sheets
(In thousands, except share data)
(Unaudited)

ASSETS	September 30, 2011	December 31, 2010
Real estate assets:		
Land	\$926,423	\$928,025
Buildings and improvements	7,585,004	7,543,326
	8,511,427	8,471,351
Accumulated depreciation	(1,883,878)	(1,721,194)
	6,627,549	6,750,157
Developments in progress	151,271	139,980
Net investment in real estate assets	6,778,820	6,890,137
Cash and cash equivalents	61,912	50,896
Receivables:		
Tenant, net of allowance for doubtful accounts of \$1,971 in 2011 and \$3,167 in 2010	79,471	77,989
Other, net of allowance for doubtful accounts of \$1,397 in 2011	12,347	11,996
Mortgage and other notes receivable	26,942	30,519
Investments in unconsolidated affiliates	179,504	179,410
Intangible lease assets and other assets	283,499	265,607
	\$7,422,495	\$7,506,554
LIABILITIES, REDEEMABLE NONCONTROLLING INTERESTS AND EQUITY		
Mortgage and other indebtedness	\$5,233,148	\$5,209,747
Accounts payable and accrued liabilities	314,828	314,651
Total liabilities	5,547,976	5,524,398
Commitments and contingencies (Notes 5 and 11)		
Redeemable noncontrolling interests:		
Redeemable noncontrolling partnership interests	24,507	34,379
Redeemable noncontrolling preferred joint venture interest	423,834	423,834
Total redeemable noncontrolling interests	448,341	458,213
Shareholders' equity:		
Preferred stock, \$.01 par value, 15,000,000 shares authorized:		
7.75% Series C Cumulative Redeemable Preferred Stock, 460,000 shares outstanding	5	5
7.375% Series D Cumulative Redeemable Preferred Stock, 1,815,000 shares outstanding	18	18
Common stock, \$.01 par value, 350,000,000 shares authorized, 148,363,832 and 147,923,707 issued and	1,484	1,479

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outstanding in 2011 and 2010, respectively		
Additional paid-in capital	1,667,294	1,657,507
Accumulated other comprehensive income	961	7,855
Dividends in excess of cumulative earnings	(440,798	) (366,526)
Total shareholders' equity	1,228,964	1,300,338
Noncontrolling interests	197,214	223,605
Total equity	1,426,178	1,523,943
	\$7,422,495	\$7,506,554

The accompanying notes are an integral part of these balance sheets.

3

Table of Contents

CBL & Associates Properties, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2011	2010	2011	2010
REVENUES:				
Minimum rents	\$174,917	\$167,742	\$515,682	\$500,178
Percentage rents	3,040	2,602	8,894	8,680
Other rents	4,206	4,236	13,797	13,321
Tenant reimbursements	77,524	77,370	231,688	231,376
Management, development and leasing fees	1,909	1,369	4,814	4,676
Other	8,415	7,351	26,372	21,822
Total revenues	270,011	260,670	801,247	780,053
OPERATING EXPENSES:				
Property operating	39,479	37,393	115,729	111,585
Depreciation and amortization	71,404	71,814	211,496	211,035
Real estate taxes	23,801	24,676	73,482	73,796
Maintenance and repairs	13,898	12,826	43,997	41,459
General and administrative	10,092	10,495	33,133	31,890
Loss on impairment of real estate	51,304	—	55,761	—
Other	7,446	6,351	22,795	19,467
Total operating expenses	217,424	163,555	556,393	489,232
Income from operations	52,587	97,115	244,854	290,821
Interest and other income	598	832	1,755	2,831
Interest expense	(70,643)	(71,178)	(209,771)	(216,052)
Gain on extinguishment of debt	—	—	581	—
Gain on sales of real estate assets	2,890	562	3,637	2,577
Equity in earnings (losses) of unconsolidated affiliates	989	(1,558)	4,222	(610)
Income tax (provision) benefit	(4,653)	1,264	1,770	5,052
Income (loss) from continuing operations	(18,232)	27,037	47,048	84,619
Operating income (loss) of discontinued operations	(57)	611	27,986	(25,251)
Gain (loss) on discontinued operations	(31)	29	86	29
Net income (loss)	(18,320)	27,677	75,120	59,397
Net (income) loss attributable to noncontrolling interests in:				
Operating partnership	7,760	(3,605)	(5,443)	(4,992)
Other consolidated subsidiaries	(6,166)	(6,133)	(18,708)	(18,394)
Net income (loss) attributable to the Company	(16,726)	17,939	50,969	36,011
Preferred dividends	(10,594)	(8,359)	(31,782)	(22,745)
Net income (loss) attributable to common shareholders	\$(27,320)	\$9,580	\$19,187	\$13,266

Table of Contents

CBL & Associates Properties, Inc.
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(Unaudited)
(Continued)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Basic per share data attributable to common shareholders:				
Income (loss) from continuing operations, net of preferred dividends	\$(0.18)	) \$0.07	\$(0.02)	) \$0.23
Discontinued operations	—	—	0.15	(0.13)
Net income (loss) attributable to common shareholders	\$(0.18)	) \$0.07	\$0.13	\$0.10
Weighted average common shares outstanding	148,363	138,075	148,264	138,037
Diluted earnings per share data attributable to common shareholders:				
Income (loss) from continuing operations, net of preferred dividends	\$(0.18)	) \$0.07	\$(0.02)	) \$0.23
Discontinued operations	—	—	0.15	(0.13)
Net income (loss) attributable to common shareholders	\$(0.18)	) \$0.07	\$0.13	\$0.10
Weighted average common and potential dilutive common shares outstanding	148,405	138,121	148,310	138,079
Amounts attributable to common shareholders:				
Income (loss) from continuing operations, net of preferred dividends	\$(27,252)	) \$9,115	\$(2,682)	) \$31,592
Discontinued operations	(68)	) 465	21,869	(18,326)
Net income (loss) attributable to common shareholders	\$			