

FEDERAL REALTY INVESTMENT TRUST

Form 10-Q

August 01, 2013

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

✓ QUARTERLY REPORT PURSUANT TO THE SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013

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: 1-07533

FEDERAL REALTY INVESTMENT TRUST

(Exact Name of Registrant as Specified in its Declaration of Trust)

Maryland

52-0782497

(State of Organization)

(IRS Employer Identification No.)

1626 East Jefferson Street, Rockville, Maryland

20852

(Address of Principal Executive Offices)

(Zip Code)

(301) 998-8100

(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 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 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 definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ✓

Accelerated Filer

..

Non-Accelerated Filer o (Do not check if a smaller reporting company)

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

The number of Registrant's common shares outstanding on July 29, 2013 was 65,695,201.

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QUARTERLY REPORT ON FORM 10-Q
QUARTER ENDED JUNE 30, 2013

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PART I—FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

The following balance sheet as of December 31, 2012, which has been derived from audited financial statements, and unaudited interim financial statements have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and note disclosures normally included in annual financial statements prepared in accordance with generally accepted accounting principles (GAAP) have been omitted pursuant to those rules and regulations, although the company believes that the disclosures made are adequate to make the information not misleading. It is suggested that these financial statements be read in conjunction with the financial statements and notes thereto included in the company's latest Annual Report on Form 10-K. In the opinion of management, all adjustments (consisting of normal, recurring adjustments) necessary for a fair presentation for the periods presented have been included. The results of operations for the three and six months ended June 30, 2013 are not necessarily indicative of the results that may be expected for the full year.

Table of ContentsFederal Realty Investment Trust
Consolidated Balance Sheets

	June 30, 2013 (In thousands, except share data) (Unaudited)	December 31, 2012
ASSETS		
Real estate, at cost		
Operating (including \$264,821 and \$264,506 of consolidated variable interest entities, respectively)	\$ 4,550,534	\$ 4,490,960
Construction-in-progress	401,385	288,714
	4,951,919	4,779,674
Less accumulated depreciation and amortization (including \$15,579 and \$12,024 of consolidated variable interest entities, respectively)	(1,286,923)	(1,224,295)
Net real estate	3,664,996	3,555,379
Cash and cash equivalents	108,366	36,988
Accounts and notes receivable, net	84,103	73,861
Mortgage notes receivable, net	55,494	55,648
Investment in real estate partnership	33,029	33,169
Prepaid expenses and other assets	125,804	132,659
Debt issuance costs, net of accumulated amortization of \$10,488 and \$10,140, respectively	13,411	10,861
TOTAL ASSETS	\$ 4,085,203	\$ 3,898,565
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Mortgages payable (including \$204,055 and \$205,299 of consolidated variable interest entities, respectively)	\$ 724,984	\$ 760,789
Capital lease obligations	71,682	71,693
Notes payable	299,979	299,575
Senior notes and debentures	1,213,333	1,076,545
Accounts payable and accrued expenses	138,932	120,929
Dividends payable	48,296	47,685
Security deposits payable	12,758	12,957
Other liabilities and deferred credits	97,302	103,379
Total liabilities	2,607,266	2,493,552
Commitments and contingencies (Note 7)		
Redeemable noncontrolling interests	94,150	94,420
Shareholders' equity		
Preferred shares, authorized 15,000,000 shares, \$.01 par: 5.417% Series 1 Cumulative Convertible Preferred Shares, (stated at liquidation preference \$25 per share), 399,896 shares issued and outstanding	9,997	9,997
Common shares of beneficial interest, \$.01 par, 100,000,000 shares authorized, 65,687,234 and 64,815,446 shares issued and outstanding, respectively	657	648
Additional paid-in capital	1,963,000	1,875,525
Accumulated dividends in excess of net income	(610,569)	(586,970)
Accumulated other comprehensive loss	(2,368)	(12,388)
Total shareholders' equity of the Trust	1,360,717	1,286,812
Noncontrolling interests	23,070	23,781

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Total shareholders' equity	1,383,787	1,310,593
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 4,085,203	\$ 3,898,565

The accompanying notes are an integral part of these consolidated statements.

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Consolidated Statements of Comprehensive Income
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2013	2012	2013	2012
	(In thousands, except per share data)			
REVENUE				
Rental income	\$153,769	\$141,796	\$306,988	\$282,457
Other property income	2,915	4,478	6,183	8,840
Mortgage interest income	1,263	1,286	2,528	2,552
Total revenue	157,947	147,560	315,699	293,849
EXPENSES				
Rental expenses	28,229	26,906	57,744	53,016
Real estate taxes	17,650	16,537	35,301	32,594
General and administrative	8,302	7,139	15,359	14,143
Depreciation and amortization	39,853	35,199	80,477	71,770
Total operating expenses	94,034	85,781	188,881	171,523
OPERATING INCOME	63,913	61,779	126,818	