ALEXANDRIA REAL ESTATE EQUITIES INC Form 10-Q November 09, 2012 Table of Contents

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2012

OR

0 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 1-12993

ALEXANDRIA REAL ESTATE EQUITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

95-4502084

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(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification Number)

385 East Colorado Boulevard, Suite 299, Pasadena, California 91101

(Address of principal executive offices) (Zip code)

(626) 578-0777

(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 x No o

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 x No o

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 accelerated filer x Non-accelerated filer o (Do not check if a smaller reporting company) Accelerated filer o Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

As of November 7, 2012, 63,688,102 shares of common stock, par value \$.01 per share, were outstanding.

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PART I FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

Alexandria Real Estate Equities, Inc.

Condensed Consolidated Balance Sheets

(In thousands) (Unaudited)

| Assets Investments in real estate, net \$ 6,300,027 \$ 6,0008,440 Cash and cash equivalents 94,904 78,539 Restricted cash 44,863 22,332 Tenant receivables 10,124 7,480 Deferred rent 160,914 142,097 Deferred leasing and financing costs, net 152,021 135,550 Investments 107,808 95,777 Other assets 94,356 82,914 Total assets \$ 6,05,017 \$ 6,574,129 Liabilities, Noncontrolling Interests, and Equity Secured notes payable \$ 719,350 \$ 724,305 Unsecured senior notes payable 549,794 84,959 Unsecured senior notes payable 549,794 84,959 Unsecured senior notes payable 376,785 325,393 Dividends payable, accrued expenses, and tenant security deposits 376,785 325,393 Dividends payable 39,468 36,579 3714 Total liabilities 3,448,397 3,141,236 Commitments and contingencies <t< th=""><th></th><th>September 30, 2012</th><th>December 2011</th><th>r 31,</th></t<> | | September 30, 2012 | December 2011 | r 31, | |
|--|--|-----------------------|------------------|----------|---|
| Cash and cash equivalents 94,904 78,539 Restricted cash 44,863 23,332 Tenant receivables 10,124 7,480 Deferred rent 160,914 142,097 Deferred leasing and financing costs, net 152,021 135,550 Investments 107,808 95,777 Other assets 94,356 82,914 Total assets \$ 6,965,017 \$ 6,574,129 Liabilities, Noncontrolling Interests, and Equity \$ 719,350 \$ 724,305 Unsecured senior notes payable \$ 719,350 \$ 724,305 Unsecured senior notes payable \$ 749,794 \$ 84,959 Unsecured senior notes payable \$ 719,350 \$ 724,305 Unsecured senior notes payable \$ 749,794 \$ 84,959 Unsecured senior notes payable \$ 749,794 \$ 84,959 Unsecured senior notes payable, 36,579 \$ 719,350 \$ 724,305 \$ 724,305 Unsecured senior notes payable, accrued expenses, and tenant security deposits 376,785 325,393 \$ 70,000 1,600,000 \$ 76,785 325,393 \$ 719,484,397 3,141,236 \$ 76,785 | | | | | |
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| Total assets \$ 6,965,017 \$ 6,574,129 Liabilities, Noncontrolling Interests, and Equity 5 719,350 \$ 724,305 Secured notes payable \$ 719,350 \$ 724,305 Unsecured senior notes payable 549,794 84,959 Unsecured senior bank term loans 1,350,000 1,600,000 Accounts payable, accrued expenses, and tenant security deposits 376,785 325,393 Dividends payable 39,468 36,579 Total liabilities 3,448,397 3,141,236 Commitments and contingencies 1 1 16,034 Alexandria Real Estate Equities, Inc. s stockholders equity: 2 129,638 Series C Preferred Stock 130,000 250,000 250,000 Common stock 632 616 4dditonal paid-in capital 3,094,987 3,028,558 Accumulated other comprehensive loss (19,729) (34,511) 14,55,890 3,374,301 Noncontrolling interests 45,120 42,558 3,24,5589 3,374,301 | Investments | 107,808 | | 95,777 | |
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| Alexandria Real Estate Equities, Inc. s stockholders equity3,455,8903,374,301Noncontrolling interests45,12042,558 | | | | | |
| Noncontrolling interests 45,120 42,558 | | () / | 3. | | |
| | | , , | 5, | | |
| | Total equity | 3,501,010 | 3 | , | |

| Total liabilities, noncontrolling interests, and equity | \$ 6,965,017 \$ | 6,574,129 |
|---|--------------------|-----------|
| | | |

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

Alexandria Real Estate Equities, Inc.

Condensed Consolidated Statements of Income

(In thousands, except per share amounts)

(Unaudited)

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|-------------------|-------------------------------------|----|---------|------------------------------------|----|---------|
| | 2012 | | 2011 | 2012 | | 2011 |
| Revenues: | | | | | | |
| Rental | \$ 108,367 | \$ | 102,353 | \$ 318,247 | \$ | 309,532 |
| Tenant recoveries | 34,448 | | 33,226 | 99,006 | | 95,270 |
| Other income | 2,640 | | 2,475 | 14,650 | | 4,178 |
| Total revenues | 145,455 | | 138,054 | 431,903 | | 408,980 |
| | | | | | | |
| Expenses: | | | | | | |
| Rental operations | 44,614 | | 40,859 | 127,884 | | 118,014 |