

STRATUS PROPERTIES INC  
Form 10-Q  
May 15, 2013

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 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: 0-19989

Stratus Properties Inc.

(Exact name of registrant as specified in its charter)

Delaware

72-1211572

(State or other jurisdiction of  
incorporation or organization)

(I.R.S. Employer Identification No.)

212 Lavaca St., Suite 300

Austin, Texas

78701

(Address of principal executive offices)

(Zip Code)

(512) 478-5788

(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 (§ 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 accelerated filer  Accelerated filer  Non-accelerated filer  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

On April 30, 2013, there were issued and outstanding 8,082,901 shares of the registrant's common stock, par value \$0.01 per share.

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STRATUS PROPERTIES INC.  
TABLE OF CONTENTS

	Page
<u>Part I. Financial Information</u>	<u>2</u>
<u>Item 1. Financial Statements</u>	<u>2</u>
<u>Consolidated Balance Sheets (Unaudited)</u>	<u>2</u>
<u>Consolidated Statements of Comprehensive Income (Unaudited)</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows (Unaudited)</u>	<u>4</u>
<u>Consolidated Statements of Equity (Unaudited)</u>	<u>5</u>
<u>Notes to Consolidated Financial Statements (Unaudited)</u>	<u>6</u>
<u>Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>11</u>
<u>Item 4. Controls and Procedures</u>	<u>22</u>
<u>Part II. Other Information</u>	<u>22</u>
<u>Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</u>	<u>22</u>
<u>Item 5. Other Information</u>	<u>22</u>
<u>Item 6. Exhibits</u>	<u>22</u>
<u>Signature</u>	<u>23</u>
<u>Exhibit Index</u>	<u>E-1</u>

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Table of Contents

## STRATUS PROPERTIES INC.

## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements.

STRATUS PROPERTIES INC.  
CONSOLIDATED BALANCE SHEETS (Unaudited)  
(In Thousands)

	March 31, 2013	December 31, 2012
<b>ASSETS</b>		
Cash and cash equivalents	\$ 15,189	\$ 12,784
Restricted cash	20,073	17,657
Real estate held for sale	48,328	60,244
Real estate under development	36,101	31,596
Land available for development	46,344	49,569
Real estate held for investment, net	187,189	189,331
Investment in unconsolidated affiliate	3,364	3,402
Other assets	14,577	14,545
Total assets	\$ 371,165	\$ 379,128
<b>LIABILITIES AND EQUITY</b>		
Accounts payable	\$ 18,824	\$ 13,845
Accrued liabilities	5,460	8,605
Deposits	1,848	2,073
Debt	130,369	137,035
Other liabilities and deferred gain	8,514	8,675
Total liabilities	165,015	170,233
Commitments and contingencies		
Equity:		
Stratus stockholders' equity:		
Common stock	91	90
Capital in excess of par value of common stock	203,394	203,298
Accumulated deficit	(62,156)	(63,309)
Common stock held in treasury	(18,862)	(18,392)
Total Stratus stockholders' equity	122,467	121,687
Noncontrolling interests in subsidiaries	83,683	87,208
Total equity	206,150	208,895
Total liabilities and equity	\$ 371,165	\$ 379,128

The accompanying Notes to Consolidated Financial Statements (Unaudited) are an integral part of these consolidated financial statements.



Table of Contents

STRATUS PROPERTIES INC.  
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)  
(In Thousands, Except Per Share Amounts)

	Three Months Ended	
	March 31,	
	2013	2012
Revenues:		
Real estate	\$18,862	\$14,286
Hotel	10,079	9,017
Entertainment	3,208	3,271
Rental	1,310	926
Total revenues	33,459	27,500
Cost of sales:		
Real estate	15,952	13,453
Hotel	7,274	6,651
Entertainment	2,456	2,477
Rental	662	486
Depreciation	2,230	2,117
Total cost of sales	28,574	25,184
General and administrative expenses	1,764	1,471
Total costs and expenses	30,338	26,655
Operating income	3,121	845
Interest expense, net	(2,299)	) (3,641)
Other income, net	1,250	29
Income (loss) from continuing operations before income taxes and equity in unconsolidated affiliate's loss	2,072	(2,767)
Equity in unconsolidated affiliate's loss	(38)	) (72)
Provision for income taxes	(203)	) (158)
Income (loss) from continuing operations	1,831	(2,997)
Income from discontinued operations	—	4,805
Net income and total comprehensive income	1,831	1,808
Net income and total comprehensive income attributable to noncontrolling interests in subsidiaries	(678)	) (105)
Net income and total comprehensive income attributable to Stratus common stock	\$1,153	\$1,703

Basic and diluted net income (loss) per share attributable to Stratus common stock: